

Message Text

UNCLASSIFIED

PAGE 01 BRUSSE 05801 102229Z

66

ACTION EUR-25

INFO OCT-01 IO-15 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SPC-03 CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10 SS-15

STR-08 CEA-02 PA-03 PRS-01 USIA-15 DRC-01 /172 W

----- 067720

R 101905Z OCT 73

FM AMEMBASSY BRUSSELS

TO SECSTATE WASHDC 8865

INFO AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY THE HAGUE

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USMISSION GENEVA

UNCLAS BRUSSELS 5801

E.O. 11652 N/A

TAGS: EFIN, BE

SUBJECT: BENELUX VAT HARMONIZATION

1. BENELUX FINANCE MINISTERS HAVE REACHED AGREEMENT IN PRINCIPLE ON HARMONIZATION OF THREE COUNTRIES VALUE-ADDED TAX (VAT) SYSTEMS, WHICH SHOULD EVENTUALLY PERMIT ELIMINATION OF ALL BORDER CONTROLS ON INTRA-BENELUX TRADE. BELGIAN PARTICIPANTS TOLD PRESS ON OCT. 8 THAT MINISTERS OPTED FOR A TWO RATE SYSTEM (BELGIUM NOW HAS FOUR, LUXEMBOURG THREE AND THE NETHERLANDS TWO VAT RATES) AND THAT ACCORD REACHED IN PRINCIPLE ON TYPE OF GOODS TO BE SUBJECT TO EACH RATE. THEY STATED THAT PRESENT DUTCH RATES OF FOUR AND 16 PERCENT MIGHT BE INCREASED BY TWO PERCENT FOR COMMON BENELUX RATES. THREE COUNTRIES ALSO CONSIDERING ESTABLISHMENT OF COMMON DATA CENTER FOR PURPOSES OF VAT, STATISTICS AND MONETARY ADMINISTRATION. TARGET DATE FOR MAKING DATA CENTER OPERATIONAL (WHICH WILL INVOLVE COMMON SYSTEM OF DATA COLLECTION IN THREE COUNTRIES) IS JAN. 1, 1975. VAT HARMONIZATION WILL

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 BRUSSE 05801 102229Z

COME INTO EFFECT AT LATER DATE. (HERALD TRIBUNE ITEM ON OCTOBER

9 WAS, WE ARE TOLD, MISLEADING AS TO IMMEDIACY OF HARMONIZATION.)

2. AMONG PROBLEMS TO BE FACED, FIN MIN REP NOTED, IS RECONCILIATION OF DIFFERENT RATES ON ENERGY CONSUMPTION, WHICH IS 14 PERCENT IN BELGIUM, FIVE PERCENT IN LUXEMBOURG AND FOUR PERCENT IN THE NETHERLANDS. REDUCTION TO DUTCH RATE WOULD MEAN SUBSTANTIAL CUT IN BELGIAN REVENUES. ANOTHER CONSIDERATION, STRESSED BY FINMINISTER DE CLERCQ, IS COMPATIBILITY OF BENELUX VAT SYSTEM WITH EC HARMONIZATION POLICY WHICH AIMING AT 1975 FOR EC VAT CODE.

3. DECISION ON HARMONIZATION WILL NO DOUBT BE OF INTEREST TO AMERICAN FIRMS. MPAA HAS ALREADY MENTIONED TO US ITS CONCERN

THAT BELGIUM MIGHT ADOPT 16 PERCENT DUTCH RATE ON THEATER ADMISSIONS IN PLACE OF ITS PRESENT SIX PERCENT.
BOOCHEVER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: VALUE ADDED TAXES, BORDER TAXES, EXCISE TAXES, GOVERNMENT REVENUES
Control Number: n/a
Copy: SINGLE
Draft Date: 10 OCT 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973BRUSSE05801
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731042/aaaabeoj.tel
Line Count: 78
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: kellerpr
Review Comment: n/a
Review Content Flags:
Review Date: 06 SEP 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06-Sep-2001 by phillir0>; APPROVED <26-Dec-2001 by kellerpr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BENELUX VAT HARMONIZATION
TAGS: EFIN, BE
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005